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SUBJECT: STEINMEIER LAUNCHES LEFT-LEANING PLATFORM FOR A  
CENTRIST CANDIDATE

Classified By: Political Minister Counselor Jeffrey Rathke for reasons  
1.4 (b,d).

¶1. (C) Summary: Five months before Germany's September 27 national elections, Foreign Minister and Chancellor Candidate Frank-Walter Steinmeier unveiled his Social Democratic Party's (SPD) 57-page campaign platform that focuses on bolstering the "social market economy" as Germany faces its worst economic crisis in decades. Steinmeier's rambling and repetitive one-hour speech packed little punch and may not bode well for the Foreign Minister's electoral chances. The SPD leadership has spun the manifesto as a defeat for the party's left wing, since traditional leftist demands such as a wealth tax were rejected. But the overall platform leans left of the stances the SPD has taken while in Government, including proposals for new regulations for financial markets, tax increases on top earners, a minimum wage, protection of jobs, and promotion of green technology and renewable energy. This is intended in part to draw voters back from the more extreme Left Party.

¶2. (C) Summary cont. The Christian Democrats (CDU) and the Free Democrats (FDP) have responded by rejecting collaboration with the SPD based on economic provisions in its proposed program (although the FDP preserved some wiggle room, indicating that no decisions on possible coalitions would be made at this early stage). Steinmeier did not mention foreign policy in his speech and only a page and a half of the platform document is devoted to foreign policy issues, with a call for the removal of all "sub-strategic nuclear weapons from Europe," including Germany. With the SPD polling at some 10 points behind its coalition partner and rival the CDU and its sister party the Christian Social Union (CSU), a campaign poster featuring Steinmeier and President Obama under the banner: "Frank-Walter can do it too," seems to be wishful thinking. End summary.

Robin Hood Takes the Stage

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¶3. (SBU) Steinmeier unveiled the SPD campaign program April 19 to 2,500 enthusiastic party members and guests at a Berlin party conference, which had the air of a town hall meeting (and which the media characterized as inspired by the campaign style of President Obama). The SPD's party manifesto -- in a strong appeal to the left of Germany's political spectrum -- calls for higher taxes for the rich, and lower taxes for those less well off. The highest tax rate for individuals earning more than 125,000 euros (USD 163,900), or couples earning more than 250,000 euros (USD 326,000), would go up to 47 percent from 45 percent; resulting revenues would boost spending on education. The lowest tax rate of 14 percent would be cut to 10 percent. The plan would also allow German taxpayers who do not file a tax return (and thus do not claim deductions) to claim a bonus of 300 euros (\$391), a move the SPD says will cut red tape but according to CDU/CSU Caucus leader Volker Kauder is nothing more than a "joke."

¶4. (SBU) In a swipe directed at the Chancellor, Steinmeier

added that struggling German carmaker Opel, which employs 26,000 people in Germany alone, had to be saved at all costs. "It's a joke" that the two parties (CDU and FDP) "welcome a Middle East wealth fund taking a stake in Daimler, but rule out from the start the government taking a stake in Opel." Steinmeier also called for defending jobs and the rights of employees, including a realistic minimum wage with a benchmark of 7.50 euros (USD 9.78). The SPD proposes to maintain Germany's industrial base by bolstering green technology. The SPD wants Germany to cut its dependence on oil imports, and get half of its power from renewable energy sources by 2030. It would maintain its policy of phasing out nuclear energy.

"Look at the United States!" Germany a Social Model

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15. (C) Hailing "social cohesion" as the answer to the economic downturn, Steinmeier told the audience that it was time to return to the "postwar values" of "responsibility and common sense" after years of "excess and greed." "Something is smoldering in our country," he said. "Anger and indignation are rife. The people's sense of justice has been violated." Steinmeier, however, praised Germany's overall "social state," making comparisons to the United States: "Look at America," he belted, "there you can see the difference....Whoever loses his job, must take his kids out of the university, because he can no longer afford tuition. Millions hope they don't get sick, since they don't have health insurance. And many retired persons with 75 or 80 suddenly have nothing because their investments have disappeared in the air. This is the system that many market-radicals want to implement in Germany. We have

prevented this.... It was Hillary Clinton who said to me three weeks ago, 'I have for the first time correctly understood what your social state provides. In the United States, we are giving a third of our stimulus package to take care of things that your social system guarantees.' She was impressed. Many in the United States now want our social state."

Foreign Policy Takes Back Seat

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16. (C) That Foreign Minister Steinmeier did not mention any foreign policy themes in his speech -- the area of his expertise and his comfort zone -- reflects the dramatic focus of the country on the economy. The platform document devotes exactly one and half pages to the topic of "Peace and Disarmament Worldwide" and includes the following provisions:

-- A call to take advantage of the opportunity to "renew the transatlantic partnership" brought about by the election of President Obama, focusing on "disarmament, climate protection, energy security, and new regulations for a more just world order."

-- A call for common security area from "Vancouver to Vladivostok, in which NATO and Russia can work together in trust," echoing Russian President Medvedev's call for a new European security architecture but without detailing specifics or mentioning Medvedev by name. American Missile Defense plans are called "inconsistent with this goal and are therefore rejected by us."

-- On disarmament, the SPD calls for the removal of all sub-strategic nuclear weapons from Europe, including those in Germany. The SPD calls for this issue being a theme during the planned American-Russian disarmament talks. The platform makes no mention of NATO's nuclear policy or of deterrence as a core element of NATO's strategy (as agreed by NATO leaders at the Strasbourg/Kehl Summit in the Declaration on Alliance Security).

-- Refers to Russia as responsible partner and states that cooperation with Russia is in the vital interest of Germany and Europe.

-- Calls for a two-state solution to the Middle East conflict and negotiated solution on Iran's nuclear program within the framework of the UN, including incentives but also sanctions when necessary.

-- Calls for working with partners to overhaul the Afghanistan strategy and stresses need to prevent Afghanistan from becoming a haven for terrorists. (Comment: The language is somewhat vague, but this appears to be an endorsement of the Obama Administration's approach to Afghanistan and Pakistan, rather than a call for a completely new strategy. End comment.)

SPD Out on a Limb -- Critics Abound

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17. (C) The political opposition -- even the SPD's most likely coalition partners -- did not hesitate to criticize the SPD party platform. Angela Merkel personally remained above the fray, but CDU Secretary-General Ronald Pofalla dubbed Steinmeier "Wobbly Walter," commenting that the SPD "shift to the left is now a done deal." Pofalla accused the SPD of not only raising existing taxes but also of introducing new taxes. "We want to cut taxes," he pledged and said "tax increases are poison for the economy and would endanger jobs." With unemployment on the rise, the handling of the economic crisis is set to be a major battleground in the campaign and Steinmeier's comments as well as his party's tax plans are aimed at boosting the party's flagging popularity. Even the Greens, the SPD's preferred coalition partner, were critical of the program. "What the SPD is proposing today is the opposite of what they did during four years in the Grand Coalition. So we have to ask them: Are you really serious?" The leader of the pro-business FDP Guido Westerwelle said the SPD's plan effectively rules out an alliance with his party. "On this basis, there can be no collaboration," said Westerwelle. "Raising taxes might go down well with the Greens and the Left Party," he said, "but not with me."

Comment: Polls Still Down

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18. (C) Steinmeier kicked off the Social Democrats' early election campaign by declaring his resolve to oust the conservative coalition partner from the Chancellery, but he will continue to face an uphill political battle over the next five months. The SPD has fallen back into its polling

rut; Steinmeier and the SPD Party Chairman Franz Muentefering -- since their assumption of power within the SPD in September 2008 -- have not been able to elevate sustainably the SPD's standing in the polls. Polling figures for the Left Party and the Greens are stagnant (10 percent each) whereas the FDP is gaining marginally (14-16 percent). Germany is confronting its worst economic crisis in decades, but this has not altered the standing of the major parties yet: Chancellor Merkel's CDU and the sister party CSU in Bavaria still enjoy a lead among voters, as they did a year ago when economic times looked brighter. The CDU/CSU was favored by 35 percent of respondents in the latest opinion poll for Stern magazine and RTL television, compared with 24 percent for the SPD. In its party manifesto, the SPD may have ruled out a coalition with the Left Party on a national level, but recent SPD flirtations on the state level with the Left Party may damage the party with centrist voters, even as it seeks to recover voters susceptible to the Left Party's appeals. End Comment.

Anania